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Thomas J Kigin
Executive Vice President
Chief Administrative Officer
General Counsel

Minnesota
Public
Radio



BY HAND DELIVERY

June 1, 2004

Marlene H Dortch, Secretary
Federal Communications Commission
236 Massachusetts Avenue NE
Suite 110
Washington, DC 20002

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Notice of Permitted *Ex Parte* Presentation
WT Docket No. 03-66

Dear Ms Dortch:

Minnesota Public Radio (MPR) hereby submits comments in the above-referenced rule making in support of relaxation of the eligibility rules for the Instructional Television Fixed Service (ITFS), but in opposition to any proposal for uncompensated surrender of ITFS spectrum.

MPR is the licensee of 35 public radio stations and a network of translator facilities which reach 97% of the population of Minnesota. In most areas of the state, MPR operates both a classical music station and a news & information station. MPR is the second-largest producer of public radio programming for national audiences after NPR, including "A Prairie Home Companion", and "Marketplace".

MPR also holds authorizations for eight ITFS facilities that are located in Minneapolis, Saint Paul, Duluth, Saint Cloud, Byron, Barnesville and Mankato in Minnesota, and in Sioux Falls, South Dakota. MPR has used these facilities to deliver educational programming and, in some instances, has entered into leased access agreements with other parties. The leased access arrangements have permitted MPR to generate revenue to support its noncommercial operations.

The trade press reported recently that the Commission is considering relaxing the eligibility rules for the ITFS service which would permit the licensing of parties other than accredited educational institutions, governmental units engaged in formal education, and not-for-profits whose purposes include providing educational programming to such entities. MPR strongly supports this initiative. Since the ITFS service was established, there have been dramatic changes in the video marketplace which the agency's rules must recognize. These changes, acknowledged by the Commission in its June 2, 2003 Report & Order proposing

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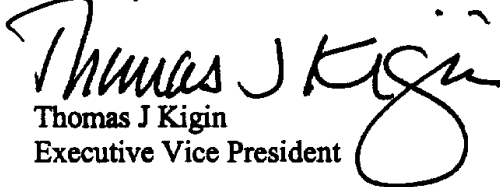
modifications to its television and radio multiple ownership rules, have equal application to the ITFS service. In many parts of the country, the development of alternative program delivery services have rendered traditional use of the ITFS spectrum all but obsolete. Many educational institutions now distribute by satellite programming formerly carried over ITFS facilities. Others do so over the Internet. It is highly likely that this trend will spread across the country in the future.

Relaxing the eligibility rules for the ITFS service would permit each licensee the flexibility to determine the best possible use for its facility based on circumstances present in its market. It could elect to continue operating in the traditional fashion. It could decide to partner with another entity, free of the limitations of the current leased-access rules, to provide a new form of programming that might be desired in its market. Or it could elect to sell its authorizations for fair market value and invest the proceeds in its other noncommercial endeavors, including new technologies that better serve the ITFS premise. Permitting sale of these facilities would be particularly appropriate at this time when financial resources are a scarce commodity among noncommercial broadcasters. State funding for public broadcasting has declined precipitously over the last several years because of state budget crises. Moreover, noncommercial television and radio licensees, many of whom are ITFS licensees, are facing the substantial costs of conversion to digital transmission.

For decades, the Commission has relied upon noncommercial licensees to make sound decisions regarding use of the spectrum entrusted to them. Relaxation of the ITFS eligibility rules as proposed here would be consistent with that long-standing and well-founded policy.

The media has also reported that the Commission may be considering a proposal to reclaim a portion of the ITFS spectrum from existing licensees without any form of compensation, and auction it off to the highest bidder for alternative uses. MPR strongly opposes any proposal that would reclaim spectrum in this manner. Instead, as indicated above, the agency should allow the marketplace to determine the fate of the ITFS spectrum through relaxation of the eligibility rules.

Sincerely,


Thomas J Kigin
Executive Vice President

Cc: all commissioners